

CHAPTER XXVI

STOCKS AND SHARES

SOME elementary knowledge of the practice of buying, selling and transferring stocks and shares should be possessed by every solicitor's clerk.

Investments in corporations or companies are made in "stock/" "bonds/" "shares/" or "debentures."

Stock is usually to be found in Government and Local Government loans, railways, gas, electric light, water and other public utility undertakings, and some of the larger commercial undertakings.

Stock is usually distinguishable from other forms of investment, in that odd amounts of stock can be purchased, as for example, £103 5s. yd. Local Loans, 3 per cent stock; or £421 Liverpool Corporation 4-¹/₂ per cent stock. This is, however, not invariable, as some stocks can only be acquired or held in fixed sums as £100, £50. or £25.

Another feature about stocks is that they are nearly always at a fixed rate of dividend or interest, such as 3-J per cent or 5 per cent.

It will be obvious that the majority of stocks are really loans to the Government or municipal undertakings—as these are public bodies, and not profit making undertakings (even if municipal undertakings do happen to make a profit on, say, their electric light works or tramways). It is also to be noticed that most of these investments have

a date or period of years attached to
their title—
as "India 3[^] per cent Stock, 1931," or
"Ramsgate
3 per cent Stock, 1915-55."